

*Prof. [unclear]*

OGC Has Reviewed

15 September 1947

**MEMORANDUM FOR EXECUTIVE FOR ADMINISTRATION & MANAGEMENT**

**Subject: CIG Property Regulations**

1. Reference is made to [redacted] dated 11 February 1947 and [redacted] dated 4 September 1947. Memorandum No. 4 is concerned with accountability and responsibility for property, and Memorandum No. 61 concerns the Property Survey Board.

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2. At the time the above-mentioned memoranda were being drafted, this office discussed their provisions with persons concerned, namely, Procedures Unit, Property Control Section, and the Executive for Personnel and Administration. We then pointed out that in establishing a Property Survey Board a delegation of authority by the Director to the Board would be necessary to empower the Board to take final action for the determination of pecuniary liability, or relief from responsibility, of individuals concerned with the loss, damage, destruction, and theft of Government property. Also, it was pointed out that it would be necessary for the then Executive for P&A to be authorized by the Director, CIG to prescribe rules and regulations concerning property accountability and responsibility. The above is based in part on the provisions of 51 U.S.C.A. 89-92. These Sections prescribe, in general, for property returns, and certificates as to lost property, and specifically empower the heads of the several departments of the Government to make and enforce regulations concerning Government property in order to carry out the provisions of Sections 89-92.

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3. The matter of including such delegations in an appropriate Order was discussed with [redacted] then Executive for P&A, by this office. He concurred in such views. Accordingly, a draft of a proposed Order establishing the Property Survey Board was prepared by the Procedures Unit, and after concurrences were obtained, including this office, it was forwarded to the Executive for P&A for publishing. For some reason, the Order, as prepared, was never issued.

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4. It is the opinion of this office that the Property Survey Board, as established by [redacted] legally does not have final authority to determine pecuniary liability, or relief from responsibility, of employees of CIG for loss, damage, destruction, or theft of Government property. It is felt that if an employee were charged with pecuniary liability and contested such charge, there would be no legal basis on which such a charge could be enforced. Further, it is quite

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possible that if the Board relieved an individual from responsibility, the General Accounting Office could take exception to such relief on the ground that authority so to relieve rests with the Director and until properly delegated by the Director rests only with him. The establishment of a Board with the above-mentioned authorities over the signature of the Executive for A & M although signing "For the Director of Central Intelligence" does not constitute a valid delegation of authority to the Board.

5. It is recommended that an appropriate Order be prepared for signature by the Director, CIG delegating necessary authorities to the Executive for A & M and to the Property Survey Board. There is enclosed, for your consideration, a draft of a proposed memorandum which we feel will satisfy the legal requirements.

6. We feel that this office could better perform its function of forestalling legal difficulties of the type here involved by being given an opportunity to review final drafts of documents presenting possible legal questions, before publication. We shall be pleased to help devise a procedure for obtaining the concurrence of this office on all publications before signature without undue delay.

7. To clarify one other point, it is our understanding that the Director has authorized the ADSO to exercise complete control over all OSO operations overseas, including personnel, property, and finances. We feel that under this authorization there is in effect a delegation of authority to ADSO to establish property regulations to cover all OSO property overseas. This is in accordance with the specific exceptions in CIG Memo No. 4, and would relieve your staff of responsibility and accountability for such property. Consequently, OSO need not report any overseas inventories to the CIG property officer and may authorize its own survey procedures. After discussion with the ADSO, it is suggested that OSO issue an order establishing its Property Survey Board to consist of a representative from the office of the Executive for I & S, the Assistant General Counsel, and the OSO Property Officer. Such a Board would provide two disinterested members without violating security.

LAWRENCE R. HOUSTON  
General Counsel

1 September 1947

By virtue of the authority vested in me as Director of Central Intelligence, it is directed that:

A. The authority to prescribe rules and regulations governing (1) control of Government property in possession of CIG employees, (2) property accountability, and (3) property responsibility, is hereby delegated to the Executive for Administration and Management.

B. The authority is hereby delegated to the Property Survey Board to take final action to:

(1) Determine the pecuniary liability, or relief from responsibility, of any employee of CIG for the loss, damage, destruction, or theft of Government property for which CIG is responsible;

(2) Direct disposition or destruction of unserviceable and obsolete property in the custody of CIG; and

(3) Direct ultimate disposition of property worn out through fair wear and tear or otherwise rendered unserviceable or obsolete in the service of the Government without fault or neglect on the part of any individual and relieve the individual concerned of responsibility and/or accountability therefor, or where there is evidence that such property may have been rendered unserviceable through fault or neglect on the part of any CIG employee, determine pecuniary responsibility of such employee.

/s/  
H. R. HILLENKOTTER  
Rear Admiral, USN  
Director of Central Intelligence